

Message Text

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PAGE 01 LIMA 03913 061422Z

ACTION ARA-14

INFO OCT-01 ISO-00 SP-02 ICA-11 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03
LAB-04 SIL-01 DODE-00 PM-05 H-01 L-03 PA-01 /103 W
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FM AMEMBASSY LIMA

TO SECSTATE WASHDC 9904

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E.O. 11652: N/A

TAGS: EFIN, IMF, PE

SUBJECT: FINANCE MINISTER SAENZ SAYS ROAD TO AGREEMENT WITH IMF
HAS BEEN SMOOTHED

1. CCORDING TO LIMA PRESS MAY 5, FINANCE MINISTER SAENZ,
IN AIPROT INTERVIEW UPON RETURN MAY 4 FROM MEXICO MEETING
OF IMF INTERIM COMMITTEE, SAID THAT PERU AND THE IMF WERE
ABOUT TO REACH AGREEMENT ON A NEW IMF STANDBY. STORIES
CLAIM THAT SAENZ SAID THAT WHILE IN MEXICO HE HAD MET WITH
IMF MANAGING DIRECTOR WITTEVEEN AND THE TWO HAD AGREED TO
MEET AGAIN IN WASHINGTON DURING THE PERIOD MAY 8-15. SAENZ
SAID THAT THE WASHINGTON MEETING WOULD TAKE PLACE "ONCE THE
FIGURES AND TERMS OF THE STANDBY AGREEMENT TO BE SIGNED ARE
ADJUSTED, WHICH (THE AGREEMENT) IN TURN WILL DETERMINE THE
DISBURSEMENTS FROM THE PRIVATE INTERNATIONAL BANKS.

2. IN RESPONSE TO ANOTHER QUESTION, SAENZ REPORTEDLY SAID
THAT PERU WILL NOT GO TO THE PARIS CLUB IN ORDER TO
REQUEST THE RESTRUCTURING OF ITS EXTERNAL DEBT, BECAUSE IT
HAS TO ENTER VARIOUS ROUNDS OF NEGOTIATIONS." SAENZ
CONTINUED: "THE EXTERNAL DEBT HAS THREE MAJOR COMPONENTS--
FROM COMMERCIAL BANKS, FROM GVERNMENTS AND FROM INTER-
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PAGE 02 LIMA 03913 061422Z

NATIONAL ORGANIZATIONS. IN THE FIRST TWO CASES THE DEBTS ARE
ALWAYS NEGOTIABLE. IN THE LAST CASE PAYMENT IS OBLIGATORY,
BUT THIS DEBT (WITH THE IFI'S) IS THE MINIMUM DEBT WHEN
IT IS PRODUCED WITH LONG TERM LOANS. FOR EXAMPLE, THE
DEBTS WITH THE WORLD BANK AND THE IDB ARE LONG TERM."

2. WE SOUGHT CLARIFICATION OF SAENZ'S REMAKRS FROM FINANCE

VICE MINISTER ALCANTARA WHO CLAIMED THE MINISTER HAD BEEN
MISQUOTED. ALCANTARA TOLD ECON OFF DISCUSSIONS WITH IMF
ARE PROCEEDING WELL BUT THAT NO TRIP TO WASHINGTON IS AS
YET SCHEDULED NEXT WEEK FOR SAENZ. ALCANTARA ALSO SAID THAT
CONTRARY TO IMPRESSION CREATED IN PRESS REPORTS, GOP HAS NOT
DECIDED AGAINST GOING TO "PARIS CLUB."
PREGG

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Message Attributes

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